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THE Feed SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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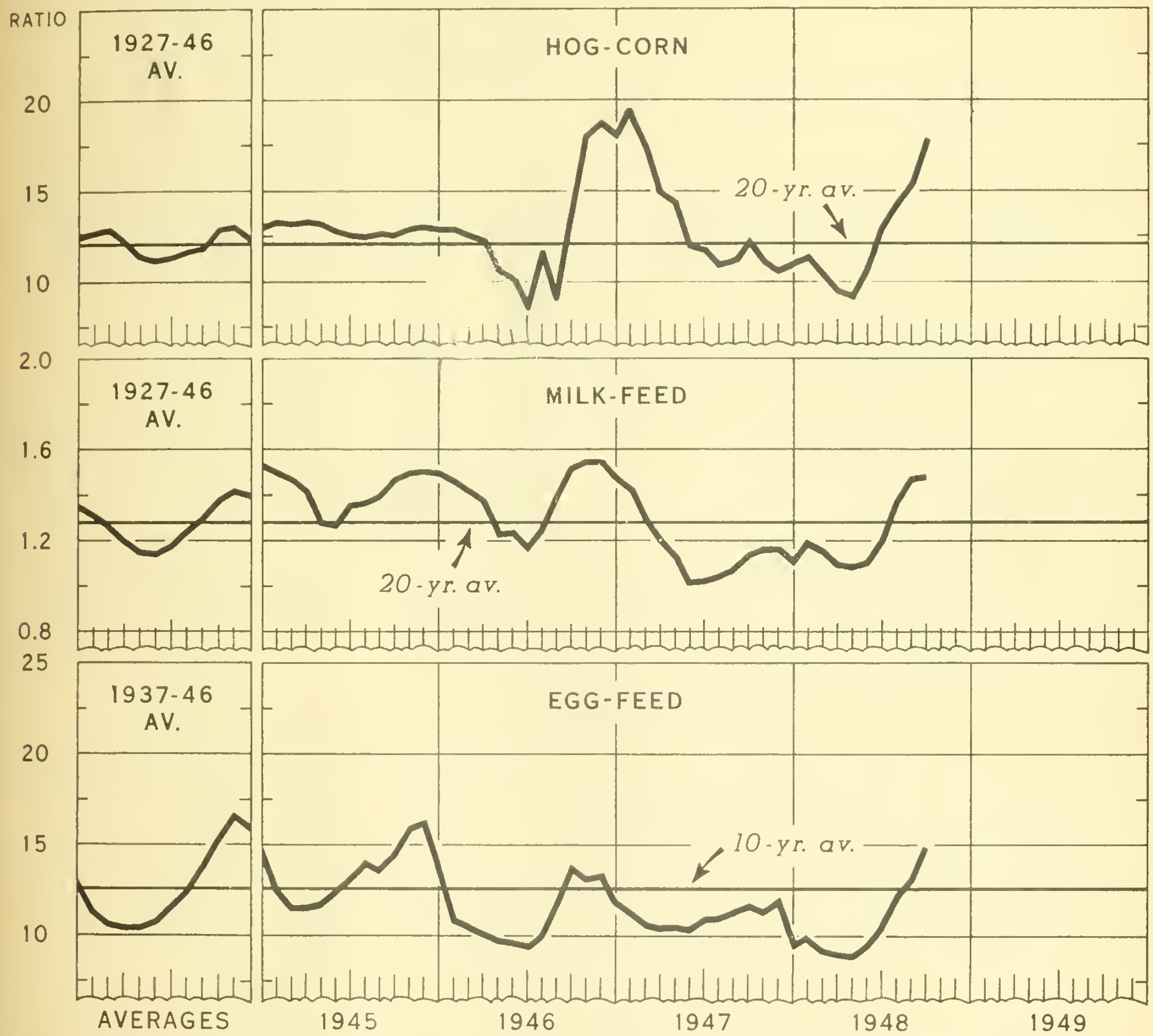
LIVESTOCK-FEED PRICE RATIOS*, FARM BASIS, UNITED STATES, AVERAGE, AND 1945-48



*BUSHELS OF CORN EQUAL IN VALUE TO 100 POUNDS OF HOG, AND POUNDS OF CONCENTRATE RATION EQUAL IN VALUE TO 1 POUND OF MILK (INCLUDING AN ALLOWANCE FOR PRODUCTION PAYMENTS OCT. 1943-JUNE 1946), OR 1 DOZEN EGGS.

U. S. DEPARTMENT OF AGRICULTURE NEG. 46937 BUREAU OF AGRICULTURAL ECONOMICS

Livestock-feed price ratios have become much more favorable to livestock producers in recent months, reflecting lower feed prices and steady to higher livestock prices. During the 1948-49 feeding season, ratios are expected to be unusually favorable, which will encourage more liberal feeding of livestock and some expansion in livestock production in 1949.

Table 1.- Statistical Summary

PRICES

Item	Unit	1946		1947		1948		
		Sept.	Oct.	Sept.	Oct.	Aug.	Sept.	Oct.
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Grains and Hay								
Corn, No. 3 Yellow, Chicago	Bushel	189.4	181.9	251.3	240.3	195.1	180.8	1/157.0
Price received by farmers, U. S.	"	173.0	169.0	240.0	223.0	191.0	178.0	138.0
Oats, No. 3 White, Chicago	"	81.0	86.3	116.1	120.1	71.6	74.6	1/ 77.8
No. 3 White, Minneapolis	"	77.0	81.0	111.8	115.0	69.7	70.2	1/ 73.3
Price received by farmers, U. S.	"	74.7	79.9	108.0	109.0	68.8	68.7	69.9
Barley, No. 3, Minneapolis	"	166.7	161.2	211.7	221.8	136.6	127.0	1/139.3
Price received by farmers, U. S.	"	134.0	135.0	178.0	177.0	114.0	108.0	110.0
Grain sorghums, price received by farmers, U. S.	100 pounds	258.0	260.0	329.0	324.0	207.0	216.0	199.0
Wheat, No. 2 Hard Winter, Kansas City	Bushel	196.0	203.9	264.6	295.3	215.0	220.4	1/221.4
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Hay, No. 1 Alfalfa, Kansas City	Ton	31.00	32.00	31.00	34.75	25.00	25.00	1/ 27.50
Price received by farmers, U. S.	"	15.40	16.10	16.10	16.80	17.80	18.00	18.40
Byproduct Feeds (bagged)								
Standard bran, Minneapolis	Ton	47.75	51.35	61.50	61.10	42.50	41.75	43.25
Buffalo	"	51.15	55.40	68.30	67.40	47.80	47.25	48.75
Price paid by farmers, U. S.	100 pounds	3.06	2.99	3.73	3.78	3.06	2.95	2.88
Standard middlings, Minneapolis	Ton	47.75	52.45	71.70	71.40	43.80	49.50	45.25
Buffalo	"	51.75	56.35	78.10	77.40	50.20	55.60	52.25
Price paid by farmers, U. S.	100 pounds	3.08	3.01	4.12	4.24	3.36	3.28	3.29
Cottonseed meal, 41 pct. protein, Memphis	Ton	62.75	73.75	89.90	86.90	67.10	62.80	64.75
Linseed meal, 32 pct. protein, Minneapolis	"	59.25	75.05	87.70	89.25	66.80	64.50	64.90
30 pct. protein, San Francisco	"	61.25	70.05	76.60	81.50	65.90	62.60	59.75
Soybean meal, 41 pct. protein, Chicago	"	66.00	79.50	102.70	91.05	84.40	81.50	66.80
Price paid by farmers, U. S.	100 pounds	4.38	4.08	5.26	5.43	5.08	5.14	4.26
Peanut meal, 45 pct. protein, S.E. milling points	Ton	67.25	77.55	89.15	88.75	67.70	66.30	60.05
White hominy feed, Chicago	"	60.00	60.90	85.10	82.60	64.70	62.30	55.15
Gluten feed, 23 pct. protein, Chicago	"	55.25	55.55	76.70	80.50	57.05	55.25	53.25
Tankage digester, 60 pct. protein, Chicago	"	84.30	96.05	130.10	140.60	100.95	102.40	104.10
Meat scraps, Chicago	"	83.25	93.95	127.50	130.30	94.75	97.40	99.10
Fish meal, San Francisco	"	89.50	127.50	166.75	172.95	136.00	136.50	128.55
Alfalfa meal, No. 1 fine, Kansas City	"	42.00	44.15	46.00	47.25	36.60	37.10	39.50
Mixed dairy feed, 16 pct. protein, price paid by farmers, U. S.	100 pounds	3.78	3.64	4.23	4.38	4.00	3.86	3.72
Laying mash, price paid by farmers, U. S.	"	4.56	4.43	5.25	5.39	4.94	4.78	4.59
Scratch feed, price paid by farmers, U. S.	"	4.24	4.24	5.16	5.26	4.72	4.57	4.32

INDEX NUMBERS OF PRICES

Item	Unit	1946 Sept.	1946 Oct.	1947 Sept.	1947 Oct.	1948 Aug.	1948 Sept.	1948 Oct.
		Percent	Percent	Percent	Percent	Percent	Percent	Percent
Feed grains, price received by farmers, U. S.	1910-14=100	248	249	346	327	263	248	204
Ten principal high-protein feeds, terminal markets.	1935-39=100	209	251	308	304	236	232	221
Four oilseed meals	"	213	261	306	291	235	229	215
Tankage, meat scraps, and fish meal	"	187	233	312	327	245	248	244
Gluten feed, brewers' dried grains, and distillers' dried grains	"	223	228	314	334	234	228	223
Feed, prices paid by farmers, U. S.	1910-14=100	231	227	285	285	249	238	221

LIVESTOCK-FEED PRICE RATIOS 2/

Item	Unit	1946 Sept.	1946 Oct.	1947 Sept.	1947 Oct.	1948 Aug.	1948 Sept.	1948 Oct.
(Oct. average)								
Hog-corn, Chicago 1927-46 = 12.6	Bushel	8.6	12.5	10.6	11.6	13.8	15.3	1/16.3
Hog-corn, U. S. farm price 1927-46 = 12.7	"	9.1	13.5	11.1	12.2	14.2	15.3	17.8
Beef-steer-corn, Chicago 1927-46 = 16.3	"	9.5	13.0	11.8	12.4	18.1	18.8	1/20.6
Butterfat-feed, U. S. 1927-46 = 26.4	Pound	25.7	30.4	21.8	19.4	25.7	25.5	24.1
Milk-feed, U. S. 1927-46 = 1.38	"	1.38	1.51	1.07	1.13	1.37	1.47	1.48
Egg-feed, U. S. 1937-46 = 15.2	"	11.7	13.7	11.3	11.7	12.1	13.1	14.9

Prices compiled from Chicago Journal of Commerce, Minneapolis Daily Market Record, Kansas City Grain Market Review, and reports of the Grain Branch, Production and Marketing Administration, and the Bureau of Agricultural Economics.

1/ Average for three weeks ended October 23.

2/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef-steer, one pound of butterfat or milk, or one dozen eggs.

THE FEED SITUATION

Approved by the Outlook and Situation Board, October 29, 1948

SUMMARY

Weather continued favorable during September and most of October for the maturing and drying of the corn crop. A record quantity of good-quality corn is now assured for the 1948-49 season. The total supply of corn was estimated in October at close to 3.7 billion bushels, or about 270 million bushels larger than the previous record supply in 1946. The total supply of all feed grains this year, estimated at 143 million tons, also is the largest on record.

Supplies of all feed concentrates, including the grains and by-product feeds, total about 166 million bushels and are nearly a fourth larger than were the small supplies of last year. They are the largest on record in relation to the number of livestock to be fed. With ample feed supplies, and with favorable livestock-feed price ratios for 1948-49, the domestic use of feed grains is expected to be substantially larger than in 1947-48, when utilization was the smallest in recent years.

The price of corn has declined more than seasonally in recent months. In mid-October the average price received by farmers for corn was $1.38 per bushel. This was 64 cents lower than last July and was 6 cents below the national average loan rate. Prices for oats, barley, and grain sorghums have been near or below the support levels since August, and considerable quantities of these grains are being placed under loan. The loan programs for feed grains will be more of a price influence this year than in any of the last few years. The index of prices received by farmers for feed grains in mid-October was about 38 percent lower than a year earlier and it is expected to continue much lower, at least through this fall and winter.

The supply of hay for 1948-49 was estimated in October at 114 million tons. This is the smallest supply since 1941, but it is near record in relation to the number of livestock on farms.

Larger quantities of molasses have been available for livestock feeding in the last 2 years than during the war period. Prices of molasses were at a high level during 1947-48, influenced by high corn prices and a strong domestic demand. The price of molasses has declined sharply since last May and it is expected to average considerably lower in 1948-49 than during the past year.

OUTLOOK

Very Large Feed Supply Assured for 1948-49

Continued favorable weather for this year's feed-grain crops has resulted in the largest production of feed grains on record and it assures an ample supply of feed for 1948-49. The October 1 estimate of the 1948 production of the four principal feed grains (corn, oats, barley, and sorghum grains) was 135 million tons, which is 9 percent above the previous record harvest in 1946. Production this year is about 40 percent larger than in 1947, when, as a result of the unfavorable growing season, production of feed grains was the smallest since prewar.

The total supply of all feed concentrates, including feed grains, byproduct feeds, and wheat and rye for feeding, for the year beginning October is 23 percent larger than the 1947-48 supply, which was slightly below the prewar (1937-41) average. In relation to the number of livestock to be fed, the supply of concentrates this year is larger than for any other year. In total, it is only about 4 percent below the record supply in 1942-43, when a large quantity of domestic wheat and imported grain was used for livestock feed.

The total supply of feed grains for 1948-49 was estimated in October at 143 million tons, which is 30 percent larger than the small supply in 1947-48. This is the largest supply on record, even though the carry-over of corn, oats, and barley totaled only 7.7 million tons, the smallest carry-over since 1937.

The big supply of feed in relation to livestock numbers this year probably will mean a substantial increase in total quantity of concentrates fed to livestock. This increase will result principally from increased feeding per animal, although livestock numbers may also increase somewhat in the last half of the marketing year.

Indications are that farmers already have started to increase the rate of feeding per animal. On October 1, dairymen were feeding their milk cows about 13 percent more grain and other concentrates per head than a year earlier, and about 10 percent more than on that date in 1946. Milk production per cow on October 1 was the largest on record for that date. Eggs produced per hen averaged about 8 percent higher in September this year than last, and this also may be due partly to more liberal feeding per bird. At least as many cattle will be grain-fed this fall and winter as last, and numbers of hogs and chickens are expected to increase in 1949.

Quantities of grain used for domestic food and industrial purposes are expected to be considerably larger in 1948-49 than last year, and much more grain will be exported. The carry-over of corn, oats, and barley at the close of the marketing year is expected to be more than double the small stocks on hand at the beginning. Most of the increase will be in corn.

Table 2.- Feed balance, livestock numbers, and feed per unit of livestock, United States, year beginning October, average 1937-41, annual 1944-48

Item	Average 1937-41	1944	1945	1946	1947 1/	1948 2/
	Million tons	Million tons	Million tons	Million tons	Million tons	Million tons
Supply						
Stocks beginning of crop year 3/	16.9	11.6	14.9	10.9	13.7	7.7
Production						
Corn	72.1	86.5	80.7	91.0	67.2	99.9
Oats	18.1	18.4	24.6	24.0	19.5	23.9
Barley	6.9	6.6	6.4	6.3	6.7	7.6
Sorghum grain	2.2	5.2	2.7	3.0	2.7	3.6
Total feed grains produced	99.3	116.7	114.4	124.3	96.1	135.0
Other grains fed 4/	4.8	10.7	8.3	4.8	5.7	4.0
Byproduct feeds for feed	15.4	19.0	17.7	19.5	19.1	19.0
Total supply of concentrates	136.4	158.0	155.3	159.5	134.6	165.7
Utilization						
Domestic feed grains fed	85.4	99.4	107.5	100.3	88.0	101.0
Domestic wheat and rye fed	4.6	8.3	8.1	4.7	5.6	4.0
Other grain fed	0.2	2.4	0.2	0.1	0.1	---
Oilseed cake and meal	3.9	6.2	5.8	5.8	6.3	6.4
Animal protein feeds	2.9	2.6	2.4	2.4	2.4	2.4
Other byproduct feeds	8.6	10.2	9.5	11.3	10.4	10.2
Total concentrates fed	105.6	129.1	133.5	124.6	112.8	124.0
Feed grains for seed, human food, industry, and export	11.8	15.0	13.2	19.4	13.5	19.0
Total utilization	117.4	144.1	146.7	144.0	126.3	143.0
Total utilization adjusted to crop year basis	116.5	143.1	144.4	145.8	126.9	143.2
Stocks at end of crop year 3/	19.9	14.9	10.9	13.7	7.7	22.5
Number of grain-consuming animal units fed annually Oct.-Sept. (million) 5/	153.1	173.7	167.7	161.3	154.6	157.0
Supply of all concentrates per animal unit (ton)	.89	.91	.93	.99	.87	1.06
Concentrates fed per animal unit (ton)	.69	.74	.80	.77	.73	.79

1/ Preliminary.

2/ Based on indications in October 1948. Tentative estimates of utilization and carry-over. Subject to change as additional data become available.

3/ Stocks in all positions of corn October 1 and oats and barley July 1.

4/ Imported grain and domestic wheat and rye fed.

5/ For weights, see table 2, August-September 1948 Feed Situation.

Record Supply of Good Quality Corn for 1948-49

This fall farmers are harvesting a record corn crop of more than 3.5 billion bushels. The growing season for corn has been unusually favorable, and the crop is expected to mature to very good quality. As this year's crop was planted early and as the season was favorable for rapid growth, the bulk of the crop was safe from frost early in October.

The total supply of corn, 3,694 million bushels, is 271 million bushels above the previous record supply. It is 37 percent larger than the small supply last year. The carry-over of corn on October 1, 1948, from last year's small crop totaled only 126 million bushels. This was less than half the carry-over in 1947 and it was the smallest in 11 years.

With this record supply of corn and with relatively low corn prices during the coming year, the total quantity consumed by livestock may be around 15 to 20 percent greater than in 1947-48. Domestic food and industrial uses of corn probably will be around a fifth larger than the 234 million bushels estimated for those purposes in 1947-48. Exports will be up sharply; they may exceed the 127 million bushels exported in 1946-47. Total carry-over stocks next October are expected to be more than 500 million bushels. The quantity of corn placed under Government price support programs is expected to be the largest since 1939.

Lower Feed Prices for 1948-49

Principally as a result of the record production of feed grains this year, prices of feeds will average considerably lower this season than in 1947-48. The price of corn has declined more than seasonally in recent months. In mid-October the average price received by farmers for corn was $1.38 per bushel, or 6 cents below the national average loan rate. Prices of oats, barley, and grain sorghums dropped to near or below the Government supports in August, and they have remained close to the August level throughout September and early October. In mid-October prices of feed grains were 38 percent lower than a year earlier. Feed prices will continue much lower than in 1947-48, at least through the fall and winter.

The loan for feed grains this year is expected to be more of a price-supporting influence than in any of the last few years. Corn loans and purchase agreements recently announced by the Government vary by counties from $1.34 to $1.66 per bushel and average $1.44 per bushel for the entire country. With the harvesting of the big 1948 crop, the farm price of corn has dropped below Government loan rates in many areas. From July to October the average price received by farmers for corn dropped 64 cents a bushel, which is much more than the usual decline for the period. In late October the price of No. 3 Yellow corn at Chicago had fallen to around $1.40 per bushel, which was only about one-half of the record high reached last January.

In recent months, prices of byproduct feeds also have declined along with prices of feed grains. Prices of most of the byproduct feeds in October were from 25 to 35 percent lower than in October 1947. The decline in feed prices since early this year has resulted in marked changes in the relation between prices of the various feeds. This past summer prices of corn were unusually high in relation to most other feeds, as corn prices were maintained after prices of most feeds had fallen. In recent weeks, corn prices have been moving down to a more nearly normal relationship with other feeds.

Table 3.- Prices per ton of specified feeds, October 1948, with comparisons

Feeds	October		1948				
	Average 1937-46	1947	June	July	Aug.	Sept.	Oct.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Grains							
Corn, No. 3 Yellow, Chicago	31.82	85.82	82.72	76.30	69.68	64.58	1/56.08
Oats, No. 3 White, Chicago	32.50	75.06	69.44	48.12	44.76	46.62	1/48.62
Barley, No. 3, Minneapolis	35.34	92.42	87.46	71.00	56.92	52.92	1/58.04
Wheat, No. 2 Hd.W., Kansas City	41.80	98.44	76.46	75.10	71.66	73.46	1/73.80
Byproduct feeds 2/							
Bran, standard, Chicago	31.20	64.30	67.00	53.50	43.85	43.80	45.50
Middlings, standard, Chicago	31.84	74.25	81.80	64.25	47.50	54.55	49.00
Soybean meal, Chicago	42.36	91.05	94.25	96.90	84.40	81.50	66.80
Cottonseed meal, Memphis	38.48	86.90	86.80	82.95	67.10	62.80	64.75
Linseed meal, Minneapolis	41.46	89.25	73.50	72.00	66.80	64.50	64.90
Tankage digester, Chicago	66.42	140.60	99.70	104.00	100.95	102.40	104.10

1/ Three weeks ended October 23.
2/ Wholesale prices, bagged; soybean meal and cottonseed meal, 41 percent protein; linseed meal, 32 percent; tankage digester, 60 percent.

In October corn was still selling considerably higher per ton than oats or wheat millfeeds. The price of corn at Chicago, however, in the first 3 weeks of October was about $18.00 per ton lower than wheat at Kansas City. This is in contrast to the situation last July, when wheat was selling at less per ton than corn. Corn prices in October were still a little higher than average compared with prices of the oilseed meals, although they were relatively lower than earlier in the year, when some of the oilseed cakes and meals were selling lower per ton than corn.

More Favorable Livestock-Feed Price Ratios for 1948-49

Livestock-feed price ratios have become much more favorable to producers of livestock and poultry in recent months, as the sharp decline in feed prices has been accompanied by steady to higher prices of livestock and livestock products. Feed prices in October were generally lower in relation to livestock prices than at any time since early in 1947. During most of the 1947-48 feeding year, prices of feed were unusually high in relation to livestock prices, as they were influenced by the small production of feed grains last year. With a record feed supply per animal, much more favorable livestock-feed price ratios are in prospect for the 1948-49 feeding season.

Table 4.- Livestock-feed price ratios, farm basis, United States, average, and 1945-48

(Data for cover page)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average 1/
							Hog-corn 2/						
Average													
1927-46	12.4	12.6	12.8	12.1	11.3	11.1	11.3	11.6	11.8	12.8	13.0	12.3	12.1
1945	12.9	13.2	13.1	13.2	13.1	12.7	12.5	12.4	12.6	12.5	12.8	13.0	12.8
1946	12.8	12.8	12.5	12.2	10.6	10.1	8.6	11.6	9.1	13.5	18.0	18.6	12.5
1947	18.0	19.3	17.6	14.9	14.4	11.9	11.7	10.8	11.1	12.2	11.1	10.5	13.7
1948	10.9	11.2	10.3	9.4	9.1	10.6	12.8	14.2	15.3	17.8			
							Milk-feed 3/						
Average													
1927-46	1.35	1.31	1.26	1.20	1.15	1.14	1.18	1.24	1.30	1.38	1.42	1.40	1.28
1945	1.52	1.49	1.46	1.41	1.27	1.26	1.35	1.36	1.39	1.46	1.49	1.50	1.41
1946	1.49	1.45	1.41	1.37	1.22	1.23	1.16	1.24	1.38	1.51	1.54	1.54	1.38
1947	1.47	1.42	1.28	1.20	1.13	1.01	1.02	1.04	1.07	1.13	1.16	1.16	1.17
1948	1.10	1.19	1.15	1.09	1.08	1.10	1.20	1.37	1.47	1.48			
							Egg-feed 4/						
Average													
1937-46	12.9	11.3	10.6	10.4	10.4	10.7	11.6	12.4	13.7	15.2	16.6	15.9	12.6
1945	14.3	12.5	11.5	11.5	11.7	12.4	13.1	14.0	13.5	14.4	15.9	16.2	13.4
1946	13.8	10.8	10.5	10.1	9.8	9.6	9.4	10.0	11.7	13.7	13.1	13.3	11.3
1947	11.9	11.3	10.6	10.4	10.5	10.3	10.9	10.9	11.3	11.7	11.3	12.0	11.1
1948	9.6	9.9	9.2	9.0	8.9	9.5	10.4	12.1	13.1	14.9			

1/ Simple average of monthly ratios.
2/ Bushels of corn equal in value to 100 pounds of hog.
3/ Pounds of dairy ration equal in value to one pound of milk.
4/ Pounds of poultry ration equal in value to one dozen eggs.

In mid-October the average price received by farmers per 100 pounds for hogs was equivalent to about 17.8 bushels of corn. This compares with the long-time October average of only 12.7 bushels. Prices of dairy products also were much higher than average in relation to feed prices. The average price of 1 pound of milk in October was equal in value to 1.48 pounds of dairy ration compared with 1.13 in October 1947 and 1.38 for the 1927-46 October average. In mid-October the egg-feed price ratio was much more favorable than earlier this year and it was back to near the 10-year average for the month.

Livestock-feed price ratios generally are expected to be about as favorable to livestock producers during 1948-49 as in any of the last several years. Ratios this year may average higher than in 1946-47, when they were very favorable during the winter and spring months, but became much less favorable in the last half of the feeding year, as they were influenced by sharply advancing feed prices. The favorable livestock-feed price ratios probably will be accompanied by increasing livestock production in 1949, principally hogs and poultry, which in turn will tend to strengthen the demand for feed in the last half of the marketing year.

Hay Supply Large Per Animal; Pastures About Average

The 1948 production of both tame and wild hay was estimated in October at 99 million tons. Although this is smaller than the large crops of the last 6 years, it is larger than in any year before 1942. The total supply of about 114 million tons also is the smallest since 1941, but it is near record relative to the fewer hay-consuming livestock on farms.

Pasture conditions on October 1 were not so good as a month earlier, but for the entire country they were near average. Pastures were good to excellent in the Pacific Northwest, and in areas of the central Plains and the western Corn Belt. In the North Atlantic region and in the western Lakes region, however, pastures were much below average, making it necessary for farmers in these areas to shift to winter rations early this year. In the West, wild hay production has been generally good except in areas of Wyoming, Utah, Nevada, and Colorado, where growth was reduced by lack of moisture.

Table 5. - Hay supply and disappearance per animal unit, United States, average 1937-41, annual 1945-48

Year beginning May	Production	Farm carry-over May 1	Supply (production plus carry-over)	Disappearance	Supply per animal unit	Disappearance per animal unit	Roughage-consuming animal units fed annually 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Tons	Tons	Thousands
Average 1937-41	90,552	12,394	102,946	89,023	1.45	1.26	70,797
1945	108,539	15,892	124,431	103,824	1.65	1.38	75,342
1946	100,739	20,607	121,346	105,372	1.67	1.45	72,839
1947	102,500	15,974	118,474	103,377	1.69	1.47	70,198
1948 2/	99,094	15,097	114,191		1.68		3/ 68,000

1/ Weights for roughage-consuming animal units fed annually shown in table 2, May 1948 Feed Situation. 2/ Octobdr 1 indications. 3/ Preliminary estimate.

RECENT DEVELOPMENTS

1947-48 Disappearance of Feed Grains Smallest in Recent Years

Domestic use of feed grains in the October-September 1947-48 feeding year was the smallest since 1940. Dominant factor in the reduced disappearance was the small 1947 corn crop, which made it necessary to curtail grain feeding of livestock and to reduce the quantity used for domestic food and industrial purposes. Total domestic use of corn, oats, and barley during the 1947-48 feeding season was about 13 percent smaller than in 1946-47 and about 8 percent below the 1939-43 average. Exports of feed grains were only about a third as large in 1947-48 as the export of around 5 million tons in 1946-47. Total disappearance, including exports, was around 16 percent smaller than in the preceding year.

Domestic use of corn from the small 1947-48 supply totaled 2,553 million bushels, leaving a carry-over at the end of the year of only 126 million bushels, the smallest since 1937. Domestic disappearance of corn was about 15 percent smaller than in 1946-47, and it was also considerably smaller than the heavy consumption during the war years. Domestic utilization of oats during the feeding year was a little smaller than the heavy disappearance in the preceding year, whereas utilization of barley was a little larger. The quantity of wheat fed during the 1947-48 feeding season totaled 180 million bushels, or about a sixth larger than in the previous feeding year. This increased feeding of wheat reflects the very large supply of 1947-48 and the low wheat prices relative to prices of feed grains in a number of months during the year.

During July-September of this year domestic consumption of corn, oats, and barley was about 14 percent smaller than in the same months of 1947. This decrease was chiefly the result of fewer livestock on farms and much smaller stocks of corn on hand. The quantity of wheat fed to livestock was about the same as in that quarter last year.

Domestic use of corn in July-September from the small stocks remaining on July 1 was 19 percent smaller than in 1947. The quantity fed to livestock was 20 percent smaller. Farmers also marketed much less corn than in that quarter of 1947. Total receipts at 12 markets were only 50 million bushels, or 41 percent smaller than in that quarter of 1947. Food and industrial uses were moderately smaller and exports were much smaller than a year earlier.

Domestic disappearance of oats in July-September totaled about 425 million bushels, which was 5 percent less than in the same quarter of 1947. This smaller utilization is due, at least partly, to the fewer livestock on farms of producers, but it also reflects smaller marketings of oats for commercial uses, including quantities used for feed in feed deficit areas. Receipts of oats at 12 principal markets totaled only 57 million bushels during July-September. This was 21 percent less than in those months of 1947.

Table 6.- Domestic disappearance of feed grains and estimated quantities of wheat and rye fed, United States, average 1939-43, annual 1945-47

Year beginning October	October-December	January-March	April-June	July-September	Total October-September
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
			CORN		
Average 1939-43	1,192	744	518	348	2,802
1945	1,291	812	544	355	3,002
1946	1,212	813	577	407	3,009
1947	1,117	676	430	1/ 330	1/ 2,553
			OATS		
Average 1939-43	225	325	256	402	1,208
1945	315	431	329	570	1,645
1946	271	363	286	449	1,369
1947	243	348	248	1/ 425	1/ 1,264
			BARLEY		
Average 1939-43	85	71	67	129	352
1945	58	79	50	85	272
1946	62	59	48	74	243
1947	54	71	62	1/ 65	1/ 252
			WHEAT		
Average 1939-43	41	71	52	80	244
1945	64	107	33	60	264
1946	47	2/	2/	24	155
1947	32	83	40	1/ 25	1/ 180
			RYE		
Average 1939-43	4	4	3	13	24
1945	2	1	1	4	8
1946	1	1	3/	1	3
1947	2	1	1	1/ 1	1/ 5
			TOTAL (Million tons)		
Average 1939-43	40.3	30.0	21.9	22.0	114.2
1945	44.5	34.8	22.7	23.0	125.0
1946	41.2	32.5	21.9	21.1	116.7
1947	37.5	28.7	18.7	1/ 18.4	1/ 103.3

1/ Preliminary.
2/ Total wheat fed during January-June estimated to be 84 million bushels.
3/ Less than 500,000 bushels.

Domestic utilization of barley was down about 12 percent in the first quarter of the marketing year as compared with that quarter a year ago. This smaller utilization of barley apparently came mainly from reduced commercial uses, including barley bought for feeding. Receipts at four principal markets were 26 percent less during the first quarter of this marketing year than in the same quarter of 1947.

Loan Programs for 1948 Feed Grains

This year farmers probably will place more feed grains under Government loans than in any year since 1939. Harvesting of the large 1948 feed grain crops has been accompanied by a sharp drop in prices from the record levels early this year. Average prices received by farmers for oats, barley, and grain sorghums since August in the surplus-producing States have been below the loan rates announced for these crops. Corn prices were below the loan level by mid-October. Although the total quantity of feed grains placed under loan or delivered to the Government under the price support program is expected to be much larger than the small quantities in recent years, it probably will be only a small part of the total production.

Loans on oats, which will be available through December, average 70 cents a bushel for the entire country and range from 62 to 82 cents per bushel by counties. In many of the important oat-producing States of theMidwest, the price of oats averaged below the loan rates in August and September. Prices were especially low relative to the loan rates in North and South Dakota, Illinois, and Minnesota. During July-September, loans were authorized on 7.6 million bushels of oats. Loans have been made on oats by the Government since 1945. The largest quantity placed under loan from any previous crop was about 3 million bushels in 1945.

Loans on barley vary from 86 cents to $1.31 per bushel and an average of $1.15 for the entire country. Prices of barley also have been below the loan rate this summer, especially in the important producing States of the Midwest and the Mountain Region. During the July-September quarter loans were authorized on about 11 million bushels of barley. A large part of this barley was in California and the Dakotas. Loans on barley have been available since 1940, but the quantity placed under loan has been small since 1941 and 1942, when more than 15 million bushels were sealed in each year.

Prices of grain sorghums also have been somewhat below the national average loan rate of $2.31 per hundred pounds. Loans had been authorized on a little more than 2 million bushels of grain sorghums by the end of September. Practically all of this was in Texas. Loans have been made on grain sorghums since 1940. Over 8 million bushels were placed under loan from the record 1944 crop, but in other years the quantity placed under loan has been less than a million bushels.

Corn loans and purchase agreements were announced in late September. They range from $1.34 to $1.66 per bushel by counties, and average $1.44 per bushel for the entire country. In the principal corn-producing areas, farmers can place corn under loan or enter into purchase agreements with the Government at any time from the time of harvest until June 30, 1949. Farmers in other areas will be offered purchase agreements (but not loans) at prices comparable to the loan rates. The loans will mature on September 30 or earlier on demand by the Commodity Credit Corporation.

Table 7.- Oats, barley, and grain sorghums: Average prices received by farmers, loan rates, and quantities authorized for loans and purchase agreements, United States, and specified States, 1948 crops

State	Price received by farmers Aug.-Sept. average 1/	Loan rate range by counties 2/	Authorized July-September	
			Loans	Purchase agreements
	Dollars per bu.	Dollars per bu.	1,000 bushels	1,000 bushels
		Oats		
Illinois	.66	.70 - .72	148	46
Minnesota	.60	.64 - .68	1,053	109
Iowa	.66	.67 - .70	2,495	58
North Dakota	.54	.62 - .65	1,278	219
South Dakota	.58	.62 - .67	2,082	297
Nebraska	.64	.63 - .69	366	43
Other States	---	---	175	11
UNITED STATES ..	.69	.62 - .82	7,597	783
		Barley		
Minnesota	1.17	1.14 - 1.23	723	82
North Dakota	1.04	1.07 - 1.16	2,660	400
South Dakota	1.02	1.07 - 1.19	1,805	249
Montana	.88	1.00 - 1.10	762	199
Idaho	.98	1.00 - 1.18	305	2
Oregon	1.22	1.00 - 1.30	316	15
California	1.20	1.14 - 1.31	3,400	182
Other States	---	---	786	136
UNITED STATES ..	1.11	.86 - 1.31	10,757	1,265
		Grain sorghums		
	Dollars per 100 pounds	Dollars per 100 pounds	1,000 bushels	1,000 bushels
Oklahoma	2.05	2.24 - 2.43	47	---
Texas	2.00	2.20 - 2.57	2,185	27
UNITED STATES ..	2.12	2.12 - 2.79	2,232	27

1/ Average prices received for oats, barley, and grain sorghums sold by farmers regardless of grade.

2/ Loan rates listed are for oats grading No. 3 or better, barley No. 1, and grain sorghums No. 2 or better.

Larger Quantity of Molasses Available for Feeding During 1947-48

A much larger supply of industrial molasses was available for livestock feeding and other uses in this country in 1947-48 than in the preceding year. Imports of molasses were about 50 percent larger than in 1946-47 and domestic production was moderately larger. Together, domestic production and imports totaled about 396 million gallons, a much larger quantity than in the two preceding years.

Industrial molasses is a fairly important ingredient in mixed feeds, principally dairy feeds, in this country. In areas of the South and West it is sprayed on coarse feeds to increase the quantities of these feeds that are consumed by livestock. The principal use of molasses, however, is in making alcohol and other distillery products. The marked increase in the quantity of molasses used for these purposes absorbed most of the increase in supply from 1946-47 to 1947-48. The quantity available for other uses, including livestock feed, was increased only about 10 percent.

Data compiled as to utilization of molasses during the war years show that the quantity of cane and beet molasses fed to livestock ranged from 49 to 82 million gallons during the fiscal years beginning 1942 to 1945. 1/ Data as to the feeding of molasses since 1945-46 are not available, but the larger quantity available indicates that feeding has increased considerably from the wartime period. The quantity of molasses available for uses other than for making alcohol and distillery products increased from 135 million gallons in 1945-46 to 176 million gallons in 1946-47 and to 192 million gallons in 1947-48. A large part of this increase went into livestock feeds. Other uses include the quantities used in the production of yeast, citric acid, vinegar, and a large number of miscellaneous products. Feeding probably increased from around 82 million gallons in 1945-46 to more than 100 million gallons in the last 2 years.

In addition to cane and beet sugar molasses, most of the molasses (hydrol) produced by the wet-processing corn industry is used for feed. Production of hydrol during the years 1943-45 totaled about 14 or 15 million gallons annually, of which about 12 million gallons were fed to livestock. The quantity of hydrol available for feeding in 1947-48 probably was a little smaller than in 1943-45, as corn processing was reduced as a result of the short 1947 corn crop.

Prices of both molasses and corn reached record high levels in 1947-48, reflecting strong demand and the small supply of corn. The price of molasses advanced sharply in the last half of 1947, but not as much as corn prices, and the price of molasses was relatively low compared with the price of corn during most of that period. During the first half of 1948, however, the price of molasses did not decline so rapidly as did the price of corn, and during much of this period it was high in relation to the corn price. From May to July the price of molasses dropped sharply, and in July-September it was about in line with the average relationship between prices of these two commodities. Over the last 20 years a bushel of corn has been equal in value to about 8 gallons of molasses. During 1947-48 prices of molasses appear to have been influenced to a considerable extent by corn prices. They will probably average substantially lower in 1948-49 than in the preceding year when supplies of corn were very small.

1/ See "Molasses for Feed," page 9 of the August 1947 Feed Situation.

Table 8.- Industrial cane and beet sugar molasses: Production, imports, inshipments, and utilization, United States, average 1937-41, annual 1942-47

Year beginning July	Production 1/	Imports and inshipments 2/	Total	Domestic utilization: Products of alcohol plants and distilleries 3/	Domestic utilization: Livestock feed 4/	Domestic utilization: Other uses 4/	Exports 2/	Total disappearance
	Million gallons	Million gallons	Million gallons	Million gallons	Million gallons	Million gallons	Million gallons	Million gallons
Average 1937-41	75.6	315.0	390.6	248.4	132.8		9.4	5/390.6
1942	72.5	192.8	265.3	198.1	48.9	44.6	.3	4/291.9
1943	82.8	349.0	431.8	320.7	59.9	47.0	.2	4/427.8
1944	92.2	255.7	347.9	289.1	68.2	53.4	.4	4/411.1
1945	92.6	149.1	241.7	147.8	82.3	52.2	2.1	4/284.4
1946	76.4	201.3	277.7	101.3	176.0		.4	5/277.7
1947 6/	91.9	7/305.0	396.0	198.3	192.0		5.8	5/396.0

1/ Estimated United States production of cane and beet sugar molasses for industrial and feed uses; excludes beet molasses used for desugarizing.

2/ Compiled from reports of Foreign and Domestic Commerce, and Bureau of the Census. Inshipments are from Hawaii and Puerto Rico.

3/ Ethyl and butyl alcohol, acetone, and other products of industrial alcohol plants and distilled spirits: Bureau of Internal Revenue.

4/ Derived from "Industrial Molasses: United States Supply and Utilization, 1943-46," by United States Tariff Commission, July 1947. Available only for the years 1942-46.

5/ Not adjusted for change in stocks.

6/ Preliminary.

7/ Data on inshipments from Hawaii were discontinued as of March 31, 1948; total for the year partly estimated.

Table 9.- Wholesale prices of blackstrap molasses, in tanks, New York, 1/ and No. 3 Yellow corn, Chicago, by months, 1946-48

Month	1946 Molasses	1946 Corn	1947 Molasses	1947 Corn	1948 Molasses	1948 Corn
	Cents per gallon	Cents per bushel	Cents per gallon	Cents per bushel	Cents per gallon	Cents per bushel
January	18.50	116.5	18.50	133.2	37.00	271.1
February	18.50	118.0	18.50	141.9	37.00	225.3
March	18.50	120.8	18.50	173.1	37.00	230.1
April	18.50	121.0	30.50	178.2	37.00	231.8
May	18.50	144.8	23.70	177.9	37.00	230.6
June	18.50	152.8	22.38	209.7	34.44	231.6
July	18.50	216.7	21.75	216.9	26.60	213.6
August	18.50	193.1	22.30	234.6	25.50	195.1
September	18.50	189.4	23.25	251.3	24.00	180.8
October	18.50	181.9	25.70	240.3	2/20.50	2/157.0
November	18.50	139.2	30.38	242.3		
December	18.50	134.0	34.12	261.1		

1/ Before April 1947, quoted f.o.b. North Atlantic ports. 2/ 3 weeks ended Oct. 23.

Table 10. Corn, oats and barley: Distribution of October 1 stocks, United States, average 1941-45, annual 1946-48

Year	Farm	Terminal market	Government-owned 1/	Total	Interior mills, elevators, and warehouses	Total 2/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
			Corn			
Average 1941-45	349,376	19,476	32,610	401,462	--	---
1946	153,003	4,944	---	157,947	14,979	172,926
1947	254,210	7,910	---	262,120	23,474	285,594
1948	114.550	1,522	---	116,072	9,853	125,925
			Oats			
Average 1941-45	1,042,580	20,168	---	1,062,748	---	--
1946	1,147,713	20,319	---	1,168,032	45,484	1,213,516
1947	964,340	26,644	---	990,984	48,168	1,039,152
1948	1,188,320	18,902	---	1,207,222	44,616	1,251,838
			Barley			
Average 1941-45	241,336	17,414	---	258,750	---	--
1946	159,635	18,248	---	177,883	57,506	235,389
1947	160,403	27,444	--	187.847	58,936	246,783
1948	210,178	19,254	---	229,432	67,222	296,654

1/ In steel and wooden bins.

2/ Total including interior mill, elevator, and warehouse stocks, data for which are not available prior to 1943.

Table 11.- Corn, oats, and barley: Stocks by quarters, United States, 1946-48 1/

Year	January 1	April 1	July 1	October 1
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
		Corn		
1946	1,904,096	1,091,126	532,157	172,926
1947	2,208,291	1,358,098	717,009	285,594
1948	1,567,087	889,061	457.808	125,925
		Oats		
1946	1,065,075	625,575	291,712	1,213,516
1947	934,432	567.570	276,312	1,039,152
1948	790 416	436,939	185,452	1,251,838
		Barley		
1946	192,006	111,301	58,570	235,389
1947	175,691	111,134	55,565	246,783
1948	187,816	114,957	51,591	296,654

1/ Total stocks, including stocks on farms, at terminal markets, interior mills, elevators, and warehouses.

Table 12.- Feed grains: Receipts at primary markets, August-September, 1946-48

Item	1946		1947		1948	
	August	September	August	September	August	September
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn, 12 markets 1/	16,352	11,449	22,790	22,631	16,906	17,246
Oats, 12 markets 1/	31,035	25,361	28,850	26,442	27,389	14,506
Barley, 4 markets 2/	18,250	22,045	27,114	25,094	22,535	13,926

Compiled from reports of the Grain Branch, Production and Marketing Administration.

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha Indianapolis, Sioux City, St. Joseph, and Wichita.

2/ Minneapolis, Milwaukee, Chicago, and Duluth.

Table 13.- Production and stocks of specified byproduct feeds, Oct.-Sept., 1946-47 and 1947-48 and August-September, 1947 and 1948

Item	1946-47	1947-48	1947		1948	
	Oct.-Sept.	Oct.-Sept.	Aug.	Sept.	Aug.	Sept.
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Production						
Cottonseed cake and meal	1,428.3	2,017.3	47.0	158.3	80.6	242.0
Soybean cake and meal ...	4,086.4	3,830.9	268.5	233.5	253.5	238.8
Linseed cake and meal ...	374.1	623.3	23.5	42.1	61.5	62.5
Peanut cake and meal	113.0	107.3	2.7	.7	1.9	1.8
Copra cake and meal	194.2	169.9	13.8	14.1	11.0	7.9
Corn gluten feed and meal	1,040.1	799.1	80.3	80.5	63.8	67.1
Brewers' dried grains	228.3	233.0	22.7	22.6	22.1	20.5
Distillers' dried grains .	411.3	351.1	21.6	29.6	23.1	29.5
Wheat millfeeds	6,099.9	1/5,478.9	508.1	483.9	488.0	1/460.0
Rice millfeeds	166.1	177.2	3.8	20.9	9.5	18.5
Alfalfa meal	1,012.4	1,086.0	144.6	122.7	144.9	99.6
Fish cake and meal	185.4	---	33.2	27.4	32.3	---
Dry and powdered skim milk	11.3	7.3	1.2	.6	.6	.5
Stocks end of period						
Cottonseed cake and meal	38.4	75.2	26.7	38.4	74.6	75.2
Peanut cake and meal	.4	.7	1.0	.4	1.1	.7
Brewers' dried grains ...	2.1	6.7	2.4	2.1	6.5	6.7
Distillers' dried grains	5.1	2.9	3.3	5.1	3.1	2.9
Alfalfa meal	128.1	224.6	129.7	128.1	224.7	224.6

Compiled as follows: Cottonseed cake and meal and wheat millfeeds, Bureau of the Census; soybean, linseed, and copra cakes and meals, Grain Branch, Production and Marketing Administration, derived from Census crushings report; gluten feed and meal, brewers' and distillers' dried grains, rice millfeeds, and alfalfa meal, Production and Marketing Administration; fish cake and meal from Fish and Wildlife Service, Department of the Interior.

1/ Preliminary estimate.

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